

Table 1

**TOWN OF HERNDON, VIRGINIA  
TEN YEAR HISTORY OF REAL ESTATE TAXES  
FISCAL YEARS 2007 - 2016**

FISCAL YEAR	<u>ASSESSED VALUATION</u>			<u>% CHANGE</u>	<u>TAX RATE</u>	<u>TAX LEVY AMOUNT</u>		<u>% CHANGE</u>
	<u>Real Property</u>	<u>Public Service Corp.</u>	<u>Total</u>					
2016	\$ 4,080,007,220	\$ 114,688,984	\$ 4,194,696,204	1.13%	\$ 0.0265	\$ 10,805,027		0.93%
2015	4,033,147,925	\$ 114,688,984	\$ 4,147,836,909	5.12%	\$ 0.0265	10,705,433		3.95%
2014	3,864,014,741	81,935,902	3,945,950,643	2.67%	0.2650	10,299,028		4.23%
2013	3,727,433,394	116,081,340	3,843,514,734	7.51%	0.2650	9,880,992		7.87%
2012	3,455,435,917	119,532,778	3,574,968,695	4.66%	0.2650	9,160,086		5.18%
2011	3,281,188,280	134,591,895	3,415,780,175	-14.43%	0.2675	8,709,325		-13.08%
2010	3,853,860,827	137,947,029	3,991,807,856	-15.64%	0.2600	10,019,464		-8.92%
2009	4,583,799,599	148,261,544	4,732,061,143	-0.38%	0.2400	11,001,119		-0.29%
2008	4,597,329,360	152,834,703	4,750,164,063	7.79%	0.2400	11,033,590		5.42%
2007	4,219,216,449	187,449,426	4,406,665,875	26.62%	0.2400	10,466,159		20.29%
				(2)				(2)

FISCAL YEAR	<u>TOTAL REAL ESTATE TAXES COLLECTED (1)</u>		
	<u>Percentage of Levy Collected</u>	<u>Amount Collected to Date</u>	<u>% CHANGE</u>
2016	99.65%	\$ 10,767,440	0.87%
2015	99.71%	10,674,237	3.65%
2014	99.99%	10,298,508	4.23%
2013	100.00%	9,880,575	7.87%
2012	100.00%	9,159,695	5.17%
2011	100.00%	8,709,150	-13.08%
2010	100.00%	10,019,464	-8.92%
2009	100.00%	11,000,980	-0.30%
2008	100.00%	11,033,590	5.42%
2007	100.00%	10,466,154	20.29%
			(2)

(1) Includes collection of current and prior years' delinquent real estate taxes.

(2) Compared to FY 2006.

Table 2

**TOWN OF HERNDON, VIRGINIA**  
**TEN YEAR HISTORY OF GENERAL FUND REVENUE BY SOURCE**  
**FISCAL YEARS 2007 - 2016**

FISCAL YEAR	General Property Taxes (1)	Other Local Taxes (2)	Permits, Fees and Regulatory Licenses (3)	Fines	Revenue from Use of Money and Property	Charges for Services (4)	Intergov't Revenues (5)
2016	\$ 11,029,513	\$ 13,372,805	\$ 630,218	\$ 463,312	\$ 978,087	\$ 3,488,475	\$ 4,481,237
2015	10,970,320	13,318,644	522,048	547,939	686,546	3,556,221	4,412,952
2014	10,500,239	12,850,710	532,695	632,491	875,236	3,525,332	4,721,649
2013	10,166,799	12,442,350	576,155	491,067	401,599	3,550,572	4,445,880
2012	9,469,904	12,021,080 (6)	307,471	586,607	520,796	3,553,684	4,398,640
2011	9,121,061	10,962,554 (7)	394,406	525,648	488,549	3,540,621	4,764,674 (7)
2010	10,397,197	12,111,551	398,453	546,486	836,548	3,344,974	2,778,704
2009	11,315,372	12,353,268	361,280	593,631	910,128	3,158,288	2,754,078
2008	11,415,226	12,713,550	285,090	571,998	900,291	2,999,216	2,626,990
2007	10,441,826	12,333,994	442,686	571,830	1,024,643 (8)	2,769,747	3,026,764

FISCAL YEAR	Miscellaneous	Totals	Percent Increase or (Decrease) from Prior Fiscal Year
2016	\$ 464,255	\$ 34,907,902	2.59%
2015	13,560	34,028,230	1.06%
2014	33,485	33,671,837	4.80%
2013	56,708	32,131,130	3.68%
2012	133,216	30,991,398	3.89%
2011	34,599	29,832,112	-2.21%
2010	92,619	30,506,532	-3.04%
2009	18,482	31,464,527	-0.37%
2008	67,630	31,579,991	3.07%
2007	28,896	30,640,386	2.71% (9)

(1) Includes collection of current and delinquent real estate taxes, interest, penalties and public service corporation taxes, less exemptions.

(2) Includes the following taxes/fees - consumer utility, public right-of-way use, cigarette, transient lodging, bank stock, cable TV franchise fees, BPOL, motor vehicle (decal) fees, local sales, meals and other minor taxes.

(3) Includes building inspection permits, planning and zoning fees and zoning fines.

(4) Includes recreation program fees/ charges, commercial refuse and residential recycling fees, and reimbursements for indirect service costs.

(5) Includes grants and reimbursements from federal, state and county agencies, such as Police Reimbursements (Sec. 599 funding) communications sales/ use taxes and VDOT highway maintenance.

(6) Town's meals tax rate was increased from 1.5% to 2.5% effective July 1, 2011.

(7) Reporting of communication sales and use tax collections reassigned from "other local taxes" to "intergovernmental revenues".

(8) First full year of rental income from the "commercial side" of 397 Herndon Parkway. Also includes interest earnings of \$580,490.

(9) Compared to FY 2006.

Table 3

**TOWN OF HERNDON, VIRGINIA**  
**TEN YEAR HISTORY OF GENERAL FUND EXPENDITURES AND OTHER USES BY FUNCTION**  
**FISCAL YEARS 2007 - 2016**

FISCAL YEAR	Legislative	Administrative	Finance	Community Development	Police
2016	\$ 654,549	\$ 2,582,772 (1)	\$ 1,427,806	\$ 1,598,172 (3)	\$ 9,848,958
2015	626,639	2,457,281 (1)	1,307,771	1,857,171 (3)	9,126,841
2014	622,325	2,319,175 (1)	1,267,040	1,891,352	9,097,892
2013	633,519	2,249,139 (1)	1,302,849	2,051,139	9,053,956
2012	574,002	2,039,372 (2)	1,236,659	2,069,278	8,829,067 (2)
2011	621,830	1,875,307 (2)	1,159,375 (3)	2,060,965 (3)	8,164,952 (3)
2010	621,490	1,794,756 (4)	1,237,706	2,258,153 (4)	8,605,850
2009	651,245	2,443,752	1,291,102	1,853,933 (2)	8,662,952
2008	660,310	2,621,611	1,263,648	1,647,157	8,426,430
2007	659,583	2,463,940	1,177,062	1,679,530 (2)	7,787,327

FISCAL YEAR	Public Works	Town Attorney	Parks and Recreation	Debt Service	Grants
2016	\$ 10,014,006	\$ 476,792	\$ 4,136,245	\$ 1,416,331	\$ 46,618
2015	9,512,357	545,434 (6)	4,055,755	2,254,916	26,042
2014	9,453,015	535,633 (6)	3,985,756	2,021,793	102,305
2013	9,172,971 (5)	494,245	3,851,099	2,000,047	38,171
2012	8,534,908	465,714	3,615,552	2,154,457	52,544
2011	8,460,778 (3)	580,099 (6)	3,637,139	2,594,367	56,077
2010	9,071,074 (5)	533,800	3,588,867	2,612,672	112,375
2009	9,049,695	522,946 (6)	3,896,866	2,514,765	169,494
2008	8,281,419	455,322 (6)	3,922,569	2,817,735	70,741
2007	8,132,036	390,529	3,628,248	2,618,763	213,168

FISCAL YEAR	Totals	Increase or (Decrease) from Prior Year
2016	\$ 32,202,249	1.36%
2015	31,770,207	1.51%
2014	31,296,286	1.46%
2013	30,847,135	4.31%
2012	29,571,553	1.23%
2011	29,210,889	-4.03%
2010	30,436,743	-2.00%
2009	31,056,750	2.95%
2008	30,166,942	4.93%
2007	28,750,186	7.08% (7)

(1) Includes costs related to development of town branding strategies, marketing and restaurant initiatives. New economic development manager hired in Sept. 2013.

(2) Positions that were vacant during the previous fiscal year were filled.

(3) Vacant positions either not filled or eliminated.

(4) Neighborhood Resources division transferred to Community Development effective with FY 2010 budget.

(5) Annual street repaving program deferred from budget year to following fiscal year.

(6) Additional outside attorney costs incurred to assist with inter-jurisdictional issues and other legal matters.

(7) Compared to FY 2006.

Table 4

**TOWN OF HERNDON, VIRGINIA  
SEVEN YEAR PROJECTION OF REAL ESTATE TAX REVENUES  
FISCAL YEARS 2017 - 2023**

FISCAL YEAR	ASSESSED VALUATION			TAX RATE	TAX LEVY	
	AMOUNT		% CHANGE		AMOUNT	% CHANGE
2017	4,133,323,380	(1)	1.31%	(2)	0.2650	10,953,307 1.31%
2018	4,196,570,000	(3)	1.53%		0.2650	11,120,911 1.53%
2019	4,343,449,950		3.50%		0.2650	11,510,142 3.50%
2020	4,517,187,948		4.00%		0.2650	11,970,548 4.00%
2021	4,743,047,345		5.00%		0.2650	12,569,075 5.00%
2022	4,980,199,713		5.00%		0.2650	13,197,529 5.00%
2023	5,279,011,695		6.00%		0.2650	13,989,381 6.00%

FISCAL YEAR	PROJECTED TOTAL REAL ESTATE TAXES COLLECTED			REVENUE INCREASE OVER PRIOR FISCAL YEAR
	% LEVY COLLECTED	ESTIMATED AMOUNT		
		TO BE COLLECTED	% CHANGE	
2017	99.70%	10,920,447	1.31%	153,007
2018	99.70%	11,087,548	1.53%	167,101
2019	99.70%	11,475,612	3.50%	388,064
2020	99.70%	11,934,636	4.00%	459,024
2021	99.70%	12,531,368	5.00%	596,732
2022	99.70%	13,157,937	5.00%	626,568
2023	99.70%	13,947,413	6.00%	789,476

(1) Assessment at January 1, 2016, as reported by Fairfax County Department of Taxation Administration (FY 2017 assessment base).

(2) Percentage increase compared to assessment of January 1, 2015 (FY 2016 assessment base).

(3) Assessment at January 1, 2017, as reported by Fairfax County Department of Taxation Administration (FY 2018 assessment base).

Table 5

**TOWN OF HERNDON, VIRGINIA  
SEVEN YEAR PROJECTION OF GENERAL FUND REVENUES  
FISCAL YEARS 2017 - 2023**

<u>FISCAL YEAR</u>	<u>General Property Taxes (1)</u>	<u>Other Local Taxes (2)</u>	<u>Permits, Fees and Regulatory Licenses (3)</u>	<u>Fines (4)</u>	<u>Revenue from Use of Money and Property (5)</u>
2017 (8)	11,227,000	12,777,000	479,000	538,000	790,000
2018 (9)	11,355,719	12,948,700	536,000	568,000	800,000
2019	11,752,088	13,412,161	554,760	576,520	816,000
2020	12,219,549	13,889,526	574,177	585,168	832,320
2021	12,825,514	14,375,659	594,273	593,945	848,966
2022	13,461,625	14,878,807	615,072	602,854	865,946
2023	14,261,363	15,399,566	636,600	611,897	883,265

<u>FISCAL YEAR</u>	<u>Charges for Services (6)</u>	<u>Intergov't Grants and Reimburse (7)</u>	<u>Miscellaneous</u>	<u>Totals</u>	<u>Percentage Increase or (Decrease) from Prior Fiscal Year</u>
2017 (8)	3,514,700	4,449,000	31,261	33,805,961	-3.16%
2018 (9)	3,363,833	4,481,875	50,000	34,104,127	0.88%
2019	3,464,748	4,593,922	51,500	35,221,699	3.28%
2020	3,586,014	4,708,770	53,045	36,448,569	3.48%
2021	3,711,525	4,826,489	54,636	37,831,008	3.79%
2022	3,841,428	4,947,151	56,275	39,269,159	3.80%
2023	3,975,878	5,070,830	57,964	40,897,362	4.15%

(1) Includes current and projected real estate taxes (offset by estimate for elderly/ handicapped real estate tax relief), delinquent collections, and public service corporation taxes.

(2) FY 2019- FY 2023 assumes percentage growth rates of one-half percent to three percent during the period. Includes the following taxes/fees: consumer utility, public right-of-way, cigarette, transient lodging, bank stock, PEG portion of cable TV franchise, BPOL license, utility consumption, vehicle decal, sales and meals taxes. Also assumes opening of new hotel in FY 2019 followed by another hotel FY 2020.

(3) FY 2019- FY 2023 assumes an average percentage growth rates of three percent during the period. Includes planning, zoning & building inspections.

(4) FY 2019- FY 2023 assumes an average growth rate of two percent per year.

(5) FY 2019- FY 2023 assumes an average growth rates of two to four percent per year. Includes rental income from commercial leases at 397 Herndon Parkway.

(6) FY 2019- FY 2023 assumes an average growth rate of two to four percent per year. Includes parks and recreation revenues, franchise leases, recycling fees, Herndon Festival receipts and indoor tennis center fees. Also includes reimbursement of indirect service costs from enterprise funds.

(7) FY 2019- FY 2023 assumes an average growth rate of one to three percent per year. Includes state reimbursements for police (HB 599 funds); communications sales and use taxes and annual VDOT highway maintenance allocations as well as other minor recurring grants.

(8) FY 2017 Adopted Budget, dated 04-26-2016.

(9) FY 2018 Proposed Budget.

Table 6

**TOWN OF HERNDON, VIRGINIA**  
**SEVEN YEAR PROJECTION OF GENERAL FUND EXPENDITURES AND OTHER USES BY FUNCTION**  
**FISCAL YEARS 2017 - 2023**

<u>FISCAL YEAR</u>	<u>Legislative</u>	<u>Administrative</u>	<u>Community Development</u>	<u>Finance</u>	<u>Public Works</u>	<u>Police</u>
2017 (1)	701,800	2,858,800	1,886,800	1,441,500	10,053,337	9,671,770
2018 (2)	711,359	2,992,184	1,818,235	1,484,358	9,890,010	9,935,818
2019 (3)	732,700	3,081,950	1,872,782	1,528,889	10,186,710	10,233,893
2020	762,008	3,205,228	1,947,693	1,590,044	10,594,179	10,643,248
2021	792,488	3,349,463	2,035,340	1,661,596	11,017,946	11,122,194
2022	824,188	3,500,189	2,126,930	1,736,368	11,458,664	11,622,693
2023	857,155	3,657,697	2,222,642	1,814,505	11,917,010	12,145,714

<u>FISCAL YEAR</u>	<u>Town Attorney</u>	<u>Parks and Recreation</u>	<u>Debt Service</u>	<u>Totals</u>	<u>Percentage Increase or (Decrease) from Prior Fiscal Year</u>
2017 (1)	465,500	4,342,554	1,810,900	33,232,961	3.20% (5)
2018 (2)	488,496	4,374,502	2,409,165	34,104,127	2.62%
2019 (3)	503,151	4,505,737	2,188,840	34,834,651	2.14%
2020	523,277	4,685,967	2,189,975	36,141,618	3.75%
2021	544,208	4,873,405	2,193,580	37,590,220	4.01%
2022	565,976	5,068,341	1,985,108	38,888,457	3.45%
2023	588,615	5,271,075	2,205,081	40,679,495	4.61%

(1) FY 2017 Adopted Budget, dated 04-26-2016

(2) FY 2018 Proposed Budget

(3) Projected expenditures for FY 2019 through FY 2023 based on average annual increases of three to four percent.

(4) Debt service is based on repayment schedules for all outstanding bonds and current and proposed capital leases.  
(See Table 7 for further details.)

(5) Percentage increase over audited FY2016 expenditures which totaled \$32,202,049.

Table 7

**TOWN OF HERNDON, VIRGINIA  
TOTAL OBLIGATED AND PROPOSED DEBT SERVICE EXPENDITURES  
INCLUDING CAPITAL LEASE PAYMENTS  
FY 2017 - FY 2032**

Fiscal Year	General Obligation Bonds (1)				Capital Leases/ GO Notes (2)	
	General Fund	Water and Sewer Fund (3)	Golf Course Fund	Cemetery Fund	General Fund	Total Debt Service All Funds
2017	\$ 1,691,740	\$ -	\$ 131,009	\$ 243,408	\$ 119,160	\$ 2,185,317
2018	2,218,030	-	130,445	183,185	191,135	2,722,795
2019	1,997,705	1,880,000	131,055	182,892	191,135	4,382,787
2020	1,998,840	1,880,000	130,159	182,169	191,135	4,382,303
2021	2,002,445	1,880,000	130,641	182,629	191,135	4,386,850
2022	1,793,973	1,880,000	35,344	127,400	191,135	4,027,852
2023	2,013,946	1,880,000	35,148	127,913	191,135	4,248,142
2024	2,009,300	1,880,000	34,918	126,112	191,135	4,241,465
2025	1,392,025	1,880,000	34,796	127,000	191,135	3,624,956
2026	1,387,779	1,880,000	34,768	125,789	191,135	3,619,471
2027-2037	<u>9,552,204</u>	<u>20,680,000</u>	<u>151,292</u>	<u>51,088</u>	<u>2,063,115</u>	<u>32,497,699</u>
Total	<u>\$ 28,057,987</u>	<u>\$ 35,720,000</u>	<u>\$ 979,575</u>	<u>\$ 1,659,585</u>	<u>\$ 3,902,490</u>	<u>\$ 70,319,637</u>

(1) Includes principal and interest on current bond issues and proposed bond issues for various capital projects. See the "Debt Service" tab of the budget which shows \$145,000 for the 2017 (FY2018) proposed bond issue and \$446,500 reserve for future debt service related to the downtown redevelopment. Also, additional an \$200,000 reserve for future debt service is included as budgeted in the Downtown Parking Fund.

(2) Includes principal and interest on current and proposed capital lease/purchase or G.O. Note borrowings for selected vehicles and equipment.

(3) Amounts are for proposed bonds or financing agreements for sewer and water capacity purchases. See projects 45 and 48 in the CIP for more details. Also, included is debt service for proposed bonds for the Water Storage Tank capital project 48.

Table 8

**TOWN OF HERNDON, VIRGINIA**  
**GENERAL FUND PROJECTION OF CAPITAL FINANCING POTENTIAL**  
**FISCAL YEARS 2017 - 2023**

<u>GENERAL FUND ITEM</u>		Adopted Budget FY 2017	Adopted Budget FY 2018	Projected FY 2019	Projected FY 2020
Projected Recurring Revenues	(1)	\$ 33,805,961	\$ 34,104,127	\$ 35,221,699	\$ 36,448,569
LESS: Projected Operating	(2)				
Expenditures and Debt Service		<u>(33,232,961)</u>	<u>(34,104,127)</u>	<u>(34,834,651)</u>	<u>(36,141,618)</u>
Net Resources Available for Funding					
Capital Projects/ Capital Equipment		<u>573,000</u>	<u>0</u>	<u>387,048</u>	<u>306,950</u>
FY 2017-2020 CIP Summary - General Fund and Downtown Parking Fund		<u>(8,920,000)</u>	<u>(4,971,000)</u>	<u>(8,743,000)</u>	<u>(4,266,000)</u>
<u>One-Time Financing Sources</u>					
Sale of Land, Use of Proffers and Other One- Time Revenues	(3)	210,000	18,000	0	15,000
Capital Grants	(3)	3,418,000	3,189,000	6,546,000	2,446,000
Capital Lease/ Purchase		420,000	695,000	845,000	385,000
Use (Return) of Gen. Fund and Capital	(4)				
Projects Fund Unassigned Fund Balance		884,000	819,000	714,952	623,050
G.O. Bond Proceeds		<u>3,415,000</u>	<u>250,000</u>	<u>250,000</u>	<u>490,000</u>
Difference between Net Resources					
Available and Total CIP and Operating Costs:		<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

<u>GENERAL FUND ITEM</u>		Projected FY 2021	Projected FY 2022	Projected FY 2023	Total for CIP Period FY 2018 - FY 2023
Projected Recurring Revenues	(1)	\$ 37,831,008	\$ 39,269,159	\$ 40,897,362	\$ 223,771,924
LESS: Projected Operating	(2)				
Expenditures and Debt Service		<u>(37,590,220)</u>	<u>(38,888,457)</u>	<u>(40,679,495)</u>	<u>(222,238,567)</u>
Net Resources Available for Funding					
Capital Projects/ Capital Equipment		<u>240,787</u>	<u>380,703</u>	<u>217,868</u>	<u>1,533,356</u>
FY 2020-2022 CIP Summary - General Fund and Downtown Parking Fund		<u>(9,411,000)</u>	<u>(2,810,000)</u>	<u>(6,285,000)</u>	<u>(36,486,000)</u>
<u>One-Time Financing Sources</u>					
Sale of Land, Use of Proffers and Other One- Time Revenues	(3)	0	0	1,000,000	1,033,000
Capital Grants	(3)	5,241,000	1,300,000	1,250,000	19,972,000
Capital Lease/ Purchase		570,000	315,000	415,000	3,225,000
Use (Return) of Gen. Fund and Capital	(4)				
Projects Fund Unassigned Fund Balance		714,213	554,297	272,132	3,697,644
G.O. Bond Proceeds		<u>2,645,000</u>	<u>260,000</u>	<u>3,130,000</u>	<u>7,025,000</u>
Difference between Net Resources					
Available and Total CIP and Operating Costs:		<u>\$ 0</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ 0</u>

(1) Amount reflects totals contained in Table 5.

(2) Amount reflects totals contained in Table 6.

(3) Anticipated additional revenues (proffers; sale of assets, and other one-time miscellaneous sources) and interest earnings on Capital Fund balances not included in Table 5.

(4) Analysis includes Town's current fiscal policy concerning the unassigned portion of the General Fund fund balance, which must contain, at a minimum, \$4,048,000 at the beginning of FY 2024. This is equivalent to 10 percent of estimated FY 2023 operating and debt service expenditures. As of June 30, 2016, the Town's General Fund unassigned fund balance was \$9,084,025, as displayed on page 8, Exhibit A-3, under "General Fund" column.